

## **REMARKS**

Claims 8, 10-15, and 17-18 are now pending in the application. The Examiner is respectfully requested to reconsider and withdraw the rejections in view of the amendments and remarks contained herein.

### **REJECTION UNDER 35 U.S.C. § 103**

Claims 8, 10-15, and 17-18 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Moskowitz et al. (U.S. Pat. No. 5,745,569) in view of Leighton (U.S. Pat. No. 5,949,885), further in view of Rhoades (U.S. Pat. No. 5,745,569), and yet further in view of Barton (U.S. Pat. No. 6,047,374). This rejection is respectfully traversed.

Applicants respectfully assert that the Examiner has misunderstood the references, and that none of the cited references, either alone or combined, teach, suggest, or motivate “control data” in combination with “active hidden data” within the meaning of Applicants’ claimed invention.

For example, the Examiner misunderstands the teachings of Moskowitz et al.. In particular, the Examiner erroneously identifies code resources and data resources that are necessary pieces of watermark extraction software as “control data”. Also, the Examiner erroneously identifies a key used to govern use of the control data at runtime as “control data”. These identifications are contrary to the definition of “control data” as supplementally governing errorless extraction of the control data. The nature of the “control data” allows it to govern error correction of the active hidden data before and/or after extraction, but prevents it from being a necessary or unrelated part of the extraction process. The supplemental nature of the “control data” is recited in

independent claims 8 and 15, especially as amended. Support for these amendments may be found in the application as originally filed at page 6, lines 11-21, wherein the control data is employed before and after the extraction of the active hidden data to ensure errorless extraction of the active hidden data. Further, while the definition of "control data" at page 5, lines 10-19 may include data "useful in the proper extraction of the active data", all examples of such control data may be applied, for example, after the extraction takes place. Even the "authentication data" portion of the control data may optionally be applied after the extraction takes place to ensure that the extracted active data is reliable before error correction is applied. Similarly, synchronization data, management data, identification data, access control data, and keys may further be applied to determine whether and/or how the active hidden data is errorlessly extracted via the error correction data. These examples are thus not integral to the extraction process according to the claimed invention, but they are all supplementally related to the errorless extraction process, especially as amended. In contrast, each type of data identified as "control data" by the Examiner in Moskowitz et al. is either necessary or else unrelated to extraction. Therefore, Moskowitz et al. fails to teach, suggest, or motivate "control data" in combination with "active hidden data" within the meaning of Applicants' claimed invention.

Also, the Examiner misunderstands the teachings of Rhoads. In particular, the Examiner erroneously considers either of a first watermark or a second watermark with a "copy never" bit inserted to be "active hidden data". However, the specification as originally filed specifically defines "active hidden data" at page 4, lines 22-24. Specifically, "active hidden data" is specifically defined as "a set of executable machine

instructions, such as a JAVA applet or some other executable file or program". The watermarks, with or without the "copy never" bit, correspond to stored data that can be acted upon, but not to executable machine instructions. Therefore, Rhoades fails to teach, suggest, or motivate "control data" in combination with "active hidden data" within the meaning of Applicants' claimed invention.

Further, The Examiner does not rely on Leighton or Barton to teach, suggest, or motivate "control data" in combination with "active hidden data" within the meaning of Applicants' claimed invention. Moreover, Applicant respectfully asserts that neither Leighton nor Barton teach, suggest, or motivate "control data" in combination with "active hidden data" within the meaning of Applicants' claimed invention.

Applicant respectfully asserts that claims 8, 10-15, and 17-18 are in condition for allowance as none of the cited references teach, suggest, or motivate "control data" in combination with "active hidden data" within the meaning of Applicants' claimed invention. Therefore, Applicant respectfully requests that the rejections to independent claims 8 and 15 under 35 U.S.C. § 103(a) be withdrawn, along with rejection on these grounds of all claims dependent therefrom. Further, Applicant respectfully draws the Examiner's attention to newly added claims 21 and 22, which recite a novel singular points embedding technique fully supported in the specification as originally filed at page 8, line 1 through page 9, line 15. Applicant respectfully requests allowance of these new claims based on their dependency from allowable base claims.

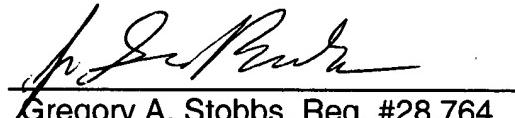
#### **CONCLUSION**

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests

that the Examiner reconsider and withdraw all presently outstanding rejections. It is believed that a full and complete response has been made to the outstanding Office Action, and as such, the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested. If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 641-1600.

Respectfully submitted,

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